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SUBJECT: DAILY SUMMARY OF JAPANESE PRESS 03/02/07

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ARTICLES:

- (1) Government's panel envisions forming an overseas intelligence-gathering entity, but such challenges as how to train personnel remain unresolved

Taro Saito

The government's Council to Consider Strengthening Intelligence-Gathering Functions (chaired by Chief Cabinet Secretary Yasuhisa Shiozaki) issued its interim report yesterday on establishing a Japanese-version National Security Council (JNSC). The report aims at the creation of an intelligence-gathering body capable of planning foreign and security policies under the leadership of the Prime Minister's Official Residence (Kantei). The report also points out the need to enhance Japan's capability of gathering foreign intelligence, even envisioning the possibility of founding an external intelligence organization.

"Various kinds of intelligence exist, such as open source information and information obtained from satellites, but human intelligence (HUMINT) is the freshest," said Chief Cabinet Secretary Shiozaki in an interview with the Sankei Shimbun yesterday. He stressed the importance of confidentially obtaining intelligence from other countries' key officials and intelligence professionals. In the process of forming an interim report, Shiozaki revealed that the group debated the question of "whether to establish an external intelligence organization and how it would function," adding: "This matter remains under debate. We will continue to discuss it carefully."

Other countries are highly capable of analyzing open source information and can monitor situations using their intelligence-gathering satellites. It has been noted that compared to other countries, Japan lacks active measures to gather intelligence, for instance, working on other countries via human networks and manipulating public opinion.

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Major points of interim report

7 Japan lacks information on such problems as international terrorism, proliferation of weapons of mass destruction, and North Korea because of difficulties in obtaining information on them abroad. We will promptly start discussions on measures and methods to gather more specialized and systematic information on other countries' people via human networks, as well as on the way the information-gathering system should function.

7 In Japan, there is the significant difference in penalties for violation of confidentiality between laws. For example, the maximum prison term for violation of confidentiality under the National Civil Service Law is one year or less. This penalty is insufficient in terms of being a deterrent. There is need to discuss new legislation.

7 Measures for the protection of intelligence, such as setting the uniform standard applicable to the government offices, are important as the premise for information gathering and sharing. Swiftly put into practice such measures for prevention of leakage of electromagnetic waves and prevention of wiretapping.

7 Install the post of a capable Cabinet intelligence analyst (tentative name) in the Cabinet Intelligence Office. Allow the same person to stay in the post for a long time because of securing expertise.

7 The intelligence analyst will draft an information assessment paper and refer it to a joint intelligence council. The assessment paper will be presented to the prime minister, the chief cabinet secretary, and other officials.

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7 The policy-planning section should be separated off from the information sector. Reorganize the Cabinet Intelligence Council to allow the Kantei's policy-planning sector to participate in it.

Interview with Chief Cabinet Secretary Shiozaki: Systematic policy necessary for decision on policy choices

Taro Saito

Chief Cabinet Secretary Yasuhisa Shiozaki, chair of the Council to Consider Strengthening Intelligence-Gathering Functions, yesterday gave an interview to the Sankei Shimbun to discuss the significance of strengthening such functions.

Q: What is so important about strengthening the intelligence-gathering functions?

A: "As evidenced by North Korea's missile and nuclear weapons development programs and its energy issue, the situation forces us to take into consideration both foreign and security affairs when we make a decision. In order for Japan to survive, the Kantei needs to make swift decisions. A good policy will come out only when there is a mechanism to gather as much correct information as possible from various sources, analyze it and offer it in accordance to policy needs."

Q: What is the problem about the present information-intensive system?

A: "The current system was not necessarily appropriate. In line with
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the Kantei leadership's interests, role sharing and coordination among intelligence agencies must be considered and carried out. It is important for intelligence to be come under the Cabinet Intelligence director and then to be sent to the secretariat of the Japanese National Security Council (JNSC). We will form a system under which the secretariat will create a systematic policy and policy options and cabinet members will participate in the JNSC to make a decision."

Q: Do you think the Ministry of Foreign Affairs has sufficiently gathered foreign information?

A: "When I previously served as senior vice foreign minister, I read a lot of information that was kept closed to the public. Such information was of great help. But it was not enough."

Q: What will the newly created post of intelligence analyst be like?

A: "We will hire intelligence analysts from among experts, civil servants or private-sector personnel, based on their specialties and on a subject-by-subject basis. We are also discussing how to treat them so as to have them work in their posts for a long time."

(2) Advice to Abe administration from Isao Iijima, secretary to former Prime Minister Koizumi: Don't waste postal reform effort

MAINICHI (Page 5) (Full)
March 1, 2007

There is no need to worry about the Abe cabinet's plummeting support rates in the polls. I believe that the Abe administration will become the most stable government among the LDP-led governments during the party's 51 years. Since the economy has improved, the unemployment rate decreased to 4.1% and the annual average ratio of jobs to applicants topped 100% for the first time in 14 years.

When the Koizumi government was inaugurated, Japan was simultaneously experiencing deflation and falling stock prices, and both the employment and the effective ratios of job offers to job seekers were low. Therefore, the present economic situation is completely different from that under the Koizumi government. The economy is now stable, as it already hit the bottom. Good-standing companies have begun growing. I assume that disparities among regions spread in terms of figures, since good companies are unevenly distributed. There is no need to be afraid of the regional divide. Since the ruling coalition holds an absolute stable majority in the Diet, there will be no crisis in the Abe administration unless Prime Minister Shinzo Abe wants to quit his job.

As former Prime Minister Junichiro Koizumi regarded postal privatization as the top priority issue, he did not hesitate to dissolve the Lower House in order to implement policies even though some in his party opposed his postal-privatization plan. The public supported him, didn't they? I don't want Abe to waste Koizumi's passion for postal reform. You cannot fool the public. The Koizumi government was in a tough spot in January 2002 when the prime minister sacked then Foreign Minister Makiko Tanaka. Koizumi went along with Tanaka's effort to reform the Foreign Ministry, but Tanaka was unable to direct and supervise her subordinates and she did not have confidence in them at all. She then resisted Koizumi. The cabinet was divided. As the media focused their attention on Tanaka, the cabinet support rates in polls dropped by 20 to 30

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percentage points. But Koizumi did not take any measures toward the media aimed at boosting cabinet approval rates.

With that lesson in mind, the Abe cabinet should utilize bureaucrats further. Under the parliamentary cabinet system, the leadership by the Prime Minister's Official Residence (Kantei) and political leadership mean that the Kantei sets the government's policy targets and the prime minister then makes decisions on policies. If the Kantei makes too many policies and councils, bureaucrats will have no choice but to remain on the sidelines. It is only natural for the prime minister to order bureaucrats to draft policies, letting them research and report. Boldness lies in holding in reserve the right to make final decisions. I believe that in this lies the source of a prime minister's power.

(3) Internet poll: 80% feel gaps expanding

YOMIURI (Page 13) (Abridged)
March 1, 2007

The Yomiuri Shimbun, in its recent second installment (Feb. 21-27) of an annual series on Japan, looked into facts about the social divide and efforts for its correction. For this series, the Yomiuri Shimbun polled Internet users with NTT Resonant Inc. to probe their attitudes. In this attitude survey, about 80% of respondents were actually feeling the expansion of a social divide. Meanwhile, more than 70% were poised to accept it to a limited extent.

Concerning the present state of the social divide, respondents were asked whether they thought the gap was expanding among the Japanese people. In response to this question, 81% answered "yes." They were further asked to pick one or more areas where they thought the gap was expanding. Among their answers, "wage gap among industries or companies" accounted for 81%, followed by "educational gap resulting from the income of parents" and "wage gap between full-time and part-time workers doing the same job."

Meanwhile, 73% answered that there are acceptable and unacceptable gaps. In the areas of unacceptable gaps, "regional gap between urban and rural districts" accounted for 62%, with "educational gap" reaching 54%, and "gap between full-time and part-time workers" at 48%. The proportion of "results-based wage gap among full-time workers" was low. What can be read from these figures is the mindset of people; they are concerned about gaps that cannot be resolved via their own efforts, but they tend to accept gaps resulting from competition.

Many of those interviewed said they would accept a results-based gap. Masahiro Yamada, a professor at Tokyo Gakugei University, notes two different types of people whose opinions are "poles apart" in the recent trend of their arguments. Yamada cites people negative about the existence of gaps and people affirmative about it. "What I can see from the survey results is," Yamada says, "many people-premised on the existence of gaps-are concerned about the existence of unacceptable gaps in itself." He added, "They show a balanced view that is coolheaded and commonsense."

Among those who responded to the survey, 36%, or 393 persons, answered that the gap has expanded for the worse. Among these 393 persons, 99 were over age 60, topping all other age brackets. For one thing, there are many people who live on their pensions after

retirement. In point of fact, however, the proportion of those who gave that answer among those aged 60 and over was 31%, which is

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a way that both sides will find acceptable by avoiding drawing a demarcation line in disputed sea areas, as was the case in the bilateral fisheries agreement.

The Chinese side has proposed joint development of areas off the Senkaku Islands. Japan's new proposal does not cover such sea areas.

In the event an agreement is reached on a specific plan for joint development, Japan will flexibly deal with the issue of shouldering the cost of drilling facilities China has already built. It wants to enter into detailed talks with China as soon as possible in order to discuss: (1) selecting drilling companies; (2) setting quotas for the drilling of natural gas; (3) joint resources control method and cost-sharing, and so forth.

The Chinese side has not yet made any clear-cut response to the Japanese proposal. To begin with, China has not recognized the validity of the Japan-China median line. As such, implementing joint projects based on the Japanese proposal will require a political decision.

(5) Draft plan by LDP, Minshuto, Komeito proposes setting up of cabinet minister post in charge of oceanic affairs, focusing on preservation of maritime resources

MAINICHI (Page 2) (Full)
March 2, 2007

A draft plan for a "maritime basic bill," which would stipulate the nation's comprehensive policy in connection with ocean affairs such as development and usage of fishery and mineral resources, as well as environment preservation, was revealed on March 1. The draft plan was compiled by the ruling Liberal Democratic Party (LDP), its coalition partner, New Komeito, and the leading opposition party, Minshuto (Democratic Party of Japan). The draft calls for establishing a minister post in charge of maritime policy, as well as for a cabinet decision on a basic maritime plan. With the aim of coming up with measures toward China's ongoing gas exploration in the East China Sea, the draft stipulates that Japan would take necessary measures to prevent China from conducting activities that infringe on Japan's sovereign rights in its exclusive economic zone (EEZ). The three parties are now under coordination to get the bill through the Diet during the current session, submitting it as lawmaker-initiated legislation.

The draft is aimed to enhance the work of securing maritime resources, over which international conflicts have intensified by unifying oceanic policies under the various jurisdictions of the Ministry of Land, Infrastructure and Transport, the Ministry of Economy, Trade and Industry, the Ministry of Foreign Affairs and other government agencies.

The draft stipulates based on international cooperation Japan would become a new ocean-oriented country aimed at peaceful and proactive development and use of ocean, as well as protection of ocean environment. It also suggests the establishment of comprehensive ocean policy headquarters headed by the prime minister, the improvement in maritime research, and promotion of ocean security.

(Corrected copy) Papers to be sent to prosecutors on ASDF colonel on suspicion of leaking defense secrets

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ASAHI (Page 1) (Full)
March 2, 2007

The Defense Ministry and the Self-Defense Forces' Police Command authorities have decided to send papers to the Tokyo District Public Prosecutors Office on an Air Self-Defense Force colonel, 49, on suspicion of leaking defense secrets against the Self-Defense Forces Law, as a case falling under indictment. The SDF Police Command has investigated the leakage of classified information over a Yomiuri Shimbun article of May 2005 that reported that a Chinese naval submarine was stalled in the South China Sea due to an accident. In this incident, the ASDF colonel, posted to the Defense Intelligence Headquarters at the Defense Ministry, is alleged to have provided a Yomiuri Shimbun reporter with confidential information. The Defense Ministry and the SDF Police Command are now in final coordination with prosecutors. This is the first case of sending papers on an SDF officer on suspicion of leaking defense secrets newly incorporated in an amendment of 2001 to the Self-Defense Forces Law.

The colonel has admitted to the allegations, authorities said. The SDF law, in its amendment, charges those who instigated leaking defense secrets. In this case, a Yomiuri Shimbun reporter, who wrote the article, was also subject to the charge. At this point, however, the authorities do not seem to take it that the reporter does not fall under instigation.

The Yomiuri article was carried in the morning edition dated May 31, 2005. In the article, the Yomiuri Shimbun reported that Japanese and US defense sources identified the vessel as a "Ming-class" diesel-powered attack submarine of the Chinese navy "with an identification number in the 300s."

The article contained top-secret information provided by the United States. The US government strongly requested the Japanese government to control information in a thoroughgoing way. Shortly after the article was carried, the Defense Agency's investigative authorities at the time filed a criminal complaint with the SDF Police Command against an unknown suspect. According to the Police Command's investigations, the colonel got to know the Yomiuri Shimbun reporter through his acquaintance and is suspected of having leaked information to the reporter about the Chinese submarine right before the article came out.

According to the Defense Ministry, a newspaper reporter could be charged with instigation in case that reporter's news coverage is an infraction of the criminal code, or otherwise in case that reporter's news coverage is generally unacceptable in such forms as playing footsie. As a result of questioning the colonel, the SDF Police Command seems to have judged that the colonel does not come under either case.

The investigation was aimed at showing Japan's efforts for information security to the United States. However, media reports have also noted that those covered and media reporters could be unnecessarily dispirited.

SCHIEFFER